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[www.calpers.ca.gov](http://www.calpers.ca.gov)

Date: December 7, 2007  
Reference No.:  
Circular Letter No.: 310-062-07  
Distribution: I, IIA, IV, V, VI, X, XII

Special:

# **Circular Letter**

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND  
OTHER INTERESTED PARTIES

SUBJECT: AMENDED MEETING NOTICE OF THE CALPERS BOARD OF  
ADMINISTRATION AND ITS COMMITTEES

Circular Letter No. 310-060-07, dated December 4, 2007, is amended as follows:

## **Policy Subcommittee of the Investment Committee**

The December 14, 2007 Policy Subcommittee of the Investment Committee meeting agenda is amended to delete the following items:

**5a Global Equity**

**6a – 6h Policy Review and Consolidation Project – Revision of  
Global Equity Policies**

The amended agenda is attached.

All other information contained in Circular Letter No. 310-060-07, dated December 4, 2007, remains the same. The meeting information is also available on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

FRED BUENROSTRO  
Chief Executive Officer

Attachment

**AMENDED**

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**POLICY SUBCOMMITTEE  
OF THE INVESTMENT COMMITTEE**

**December 14, 2007**

**10:30 a.m.**

**or Upon Adjournment or Recess of the  
Performance and Compensation Committee Meeting, Whichever is Later**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**COMMITTEE MEMBERS**

Priya Mathur, Chair  
Marjorie Berte, Vice Chair  
Robert F. Carlson  
Tony Oliveira  
Charles Valdes

**AGENDA**

- |                       |   |
|-----------------------|---|
|                       | 1. Call to Order and Roll Call  |
| Action                | 2. Approval of the October 12, 2007 Meeting Minutes   |
| Action / F. Majeed    | 3. Adoption of Policy on Inflation-Linked Asset Class and Three of its Components: Commodities, Inflation-Linked Bonds, and Forestland* |
| Action / C. Ishii     | 4. Global Fixed Income<br>a. Revision of Policy on Dollar-Denominated Fixed Income Program  |
| Action / A. Stausboll | 5. Proposed Revision of 2008 Meeting Dates  |
| Information           | 6. Draft Agenda for February 2008   |
|                       | 7. Public Comment   |

\*The Infrastructure Component will be at a future Policy Subcommittee meeting.

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.



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Date: December 6, 2007  
Reference No.:  
Circular Letter No.: 310-061-07  
Distribution: I, IIA, IV, V, VI, X, XII

Special:

# **Circular Letter**

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND  
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION, ITS  
COMMITTEES AND ADVISORY PANELS

The CalPERS Board of Administration, its Committees and Advisory Panels are scheduled to meet on the following days in December. All meetings will be held in public session unless otherwise noted.

## **Investment Committee**

Date and Time: Monday, December 17, 2007, 8:30 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16).

## **Investment Committee**

Date and Time: Monday, December 17, 2007, 9:00 a.m. or upon adjournment or recess of the Investment Committee closed session, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recess of the open session to consider investment matters pursuant to Government Code section 11126(c)(16).

## **Benefits and Program Administration Committee**

Date and Time: Tuesday, December 18, 2007, 9:00 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## **Health Benefits Committee**

Date and Time: Tuesday, December 18, 2007, 9:30 a.m. or upon adjournment or recess of the Benefits and Program Administration Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss 2009 health plan contract negotiations pursuant to Government Code section 11126(c)(17).

Ad Hoc Board Member Elections Committee

Date and Time: Tuesday, December 18, 2007, 11:00 a.m., or upon adjournment or recess of the Health Benefits Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Wednesday, December 19, 2007, 8:00 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Board will meet in closed session to discuss personnel matters pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Wednesday, December 19, 2007, 9:00 a.m. or upon adjournment or recess of the closed session of the Board of Administration, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Wednesday, December 19, 2007, 10:00 a.m., or upon adjournment or recess of the Board of Administration meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Members of the Board will attend Sexual Harassment Prevention training.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call (916) 795-3065 (voice or TTY).

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Please contact Cheree Swedensky, at (916) 795-3128, with any questions regarding the meetings. Thank you.

FRED BUENROSTRO  
Chief Executive Officer

Attachment

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**INVESTMENT COMMITTEE**

**December 17, 2007**

**8:30 a.m.**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**COMMITTEE MEMBERS**

Charles Valdes, Chair  
George Diehr, Vice Chair  
Marjorie Berte  
Robert F. Carlson  
John Chiang  
Rob Feckner  
David Gilb  
Bill Lockyer  
Priya Mathur  
Tony Oliveira  
Mike Quevedo, Jr.  
Kurato Shimada  
Maeley L. Tom

<b>CLOSED SESSION</b>	<b>8:30 a.m.</b> Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and (c)(16))
<b>OPEN SESSION</b>	<b>9:00 a.m.</b>
<b>CLOSED SESSION</b>	<b>Upon Adjournment or Recess of Open Session</b> (Government Code section 11126(c)(16))

## **AGENDA**

### **OPEN SESSION**

- |             |     |   |
|-------------|-----|---|
|             | 1.  | Call to Order and Roll Call   |
| Action      | 2.  | Approval of the October 15, 2007 Open Session Minutes   |
| Action      | 3.  | Supplemental October 2007 Policy Subcommittee Report<br>a. Adoption of Policy on Supplemental Income Plans              |
| Information | 4.  | Total Fund  |
| Action      |     | a. CalPERS Total Fund Quarterly Report  |
| Information |     | b. Strategic Asset Allocation   |
| Action      |     | c. Inflation-Linked Asset Class – Update on Implementation  |
|             |     | d. Legislative Report: AB 2941  |
| Information | 5.  | Real Estate   |
| Information | 6.  | Alternative Investment Management (AIM) Program   |
|             | 7.  | Global Fixed Income   |
| Action      |     | a. Currency Overlay Managers Annual Review  |
| Action      |     | b. External High Yield Manager Request for Proposal (RFP) – Fixed Income Non-Investment Grade Bonds and Leveraged Loans |
|             | 8.  | Global Equity   |
| Information |     | a. Update on Emerging Managers  |
| Information |     | b. Executive Compensation Strategic Plan Update   |
| Information |     | c. Corporate Governance Update<br>1) Proxy Access   |
|             | 9.  | Supplemental Income Plans (SIP)   |
| Action      |     | a. Selection of Small-Mid Cap Equity Managers for Spring-Fed Pool   |
| Action      |     | b. General Pension Consultant Spring-Fed Pool RFP   |
|             | 10. | Chief Investment Officer's/Assistant Executive Officer's Report   |
| Information |     | a. Consolidated Investment Activity Report  |
| Information |     | b. Chief Operating Investment Officer's Status Report   |
| Information |     | c. Consultant Conflict of Interest Protocol Update  |
| Information | 11. | Draft Agenda for February 19, 2008  |
|             | 12. | Public Comment  |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

## **AGENDA**

### **CLOSED SESSION      Upon Adjournment or Recess of Open Session** (Government Code section 11126(c)(16))

- |             |     |   |
|-------------|-----|---|
|             | 1.  | Call to Order and Roll Call                                     |
| Action      | 2.  | Approval of the November 13, 2007 Closed Session Minutes        |
|             | 3.  | Total Fund  |
| Action      | a.  | Strategic Asset Allocation Implementation                       |
|             | 4.  | Real Estate   |
| Information | a.  | Portfolio Sector Update   |
|             | 5.  | Alternative Investment Management (AIM) Program                 |
| Action      | a.  | Project Omega   |
| Action      | b.  | Project Platinum  |
| Action      | c.  | Legacy Portfolio Sale   |
| Information | d.  | PCG Update  |
|             | 6.  | Global Fixed Income   |
| Information | a.  | External Manager Update   |
|             | 7.  | Global Equity   |
| Action      | a.  | Global Domestic/International Allocation and Benchmark          |
| Information | b.  | External Manager Update   |
| Information | c.  | Executive Compensation Engagement Update                        |
|             | 8.  | Supplemental Income Plans                                       |
| Information | a.  | External Manager Update   |
|             | 9.  | Chief Investment Officer's/Assistant Executive Officer's Report |
| Information | a.  | Status of Action Items Not Yet Reported                         |
| Information | 10. | Activity Reports  |
|             | a.  | Alternative Investment Management Program                       |
|             | b.  | Risk Managed Absolute Return Strategies Program                 |
|             | c.  | Public Markets  |

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**

**December 18, 2007**

**9:00 a.m.**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**COMMITTEE MEMBERS**

Kurato Shimada, Chair  
Rob Feckner, Vice Chair  
Robert F. Carlson  
John Chiang  
George Diehr  
David Gilb  
Priya Mathur  
Tony Oliveira  
Maeley L. Tom

**AGENDA**

- |                           |    |   |
|---------------------------|----|---|
|                           | 1. | Call to Order and Roll Call   |
|                           | 2. | Approval of the November 14, 2007 Benefits and Program Administration Committee Meeting Minutes |
| Action/Wendy Notsinne     | 3. | Legislation   |
|                           | A. | AB 376 (Nava) – Airport Police Officers   |
|                           | B. | SB 755 (Alquist) – \$5000 Death Benefit for Retired State Members                               |
|                           | C. | State Legislative Proposal: Minor Policy and Technical Amendments to Government Code            |
| Information/Ken Marzion   | 4. | Public Employee Post-Employment Benefits Commission Update                                      |
| Information/Ron Seeling   | 5. | Chief Actuary Report  |
| Information/Kathie Vaughn | 6. | Assistant Executive Officer Report  |



Information/Kathie Vaughn

7. Draft Agenda for February 20, 2008 Benefits and Program  
Administration Committee Meeting

8. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action.  
Any agenda item properly noticed for this committee meeting may be brought to the full Board at its next regularly  
scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**HEALTH BENEFITS COMMITTEE**

**December 18, 2007**

**9:30 a.m.**

**or Upon Adjournment or Recess of the Benefits and Program  
Administration Committee Meeting, Whichever is Later**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, CA

**COMMITTEE MEMBERS**

George Diehr, Chair  
Priya Mathur, Vice Chair  
Marjorie Berte  
John Chiang  
Rob Feckner  
David Gilb  
Bill Lockyer  
Tony Oliveira  
Charles Valdes

**CLOSED SESSION: Upon Adjournment or Recessing of Open Session,  
CLOSED SESSION TO DISCUSS 2009 HEALTH PLAN  
CONTRACT NEGOTIATIONS (Government Code section  
11126(c)(17))**

**AGENDA**

- |             |    |  |
|-------------|----|--|
|             | 1. | Call to Order and Roll Call  |
|             | 2. | Approval of November 14, 2007, Health Benefits Committee Meeting Minutes   |
| Information | 3. | Legislation  |
|             | 4. | Program-Wide Reports   |
| Information | a. | Interim Board Health Benefits Consultant Report (Watson Wyatt)             |
| Information | b. | Update on Implementation Approach for Health Benefits Single Administrator |
| Information | c. | Consolidation of Pharmacy Benefits Management Services                     |

Information	d. Health and Disease Management Initiative Update
Action	e. Approval of Award of Contract, RFP No. 2007-4365 Board Health Consultant
Information	5. Health Maintenance Organization Activities
	a. Health Maintenance Organization Financial Reserves Report
	b. Blue Shield NetValue Implementation Update
Information	6. Preferred Provider Organization Activities
	a. PERS Select Implementation Update
Information	7. Partnership for Change
Information	8. Public Agency Report
	9. Long-Term Care Activities
Action	a. Recommendation of Long-Term Care Application Period for 2008
Action	b. Fiscal Year 2006-2007 Long-Term Care Annual Valuation Report
Information	c. Fiscal Year 2007-2008 First-Quarter Long-Term Care Valuation Report
Information	10. Assistant Executive Officer Report
	a. Annual Calendar Review
Information	11. Proposed Agenda for February 20, 2008, Health Benefits Committee Meeting
Information	12. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**AD HOC BOARD MEMBER ELECTIONS COMMITTEE**

**December 18, 2007**

**11:00 a.m.**

**Or Upon Adjournment or Recess of the Health Benefits Committee,  
Whichever is Later**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**COMMITTEE MEMBERS**

Kurato Shimada, Chair  
Marjorie Berte, Vice Chair  
George Diehr  
Rob Feckner  
Tony Oliveira

**AGENDA**

- |                            |   |
|----------------------------|---|
|                            | 1. Call to Order and Roll Call  |
|                            | 2. Approval of August 10, 2007, Meeting Minutes                           |
| Information<br>Rick Nelson | 3. Board Member Elections Process – Instant Runoff Voting                 |
| Information<br>Rick Nelson | 4. Board Member Elections Process – Direct Recording<br>Electronic Voting |
| Information<br>Rick Nelson | 5. Board Member Elections Process – Schedule<br>Compression               |
| Information<br>John Hiber  | 6. Proposed Agenda (Date to be determined)                                |
|                            | 7. Public Comment   |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**December 19, 2007**

**9:00 a.m.**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**MEMBERS**

Rob Feckner, Chair  
Robert F. Carlson, Vice Chair  
Marjorie Berte  
John Chiang  
George Diehr  
David Gilb  
Bill Lockyer  
Priya Mathur  
Tony Oliveira  
Mike Quevedo, Jr.  
Kurato Shimada  
Maeley L. Tom  
Charles Valdes

**AGENDA**

**CLOSED SESSION**      CHIEF EXECUTIVE OFFICER'S BRIEFING ON PERFORMANCE  
**8:00 A.M.**              AND PERSONNEL ISSUES  
**(Gov. Code secs.**  
**11126(a)(1) and**  
**(g)(1))**

**OPEN SESSION**  
**9:00 A.M. OR UPON ADJOURNMENT OF CLOSED SESSION, WHICHEVER IS**  
**LATER**

1.      Call to Order and Roll Call
2.      Pledge of Allegiance
3.      Approval of Meeting Minutes

## INVESTMENTS

- Mr. Read                      4.     Chief Investment Officer's Report

### Committee Reports

(Any Agenda Item from a Properly Noticed Committee Meeting Held Prior to this Meeting May be Reported on or Presented to the Board for its Consideration).

- Mr. Valdes                    5.     Investment Committee (Oral)
- Mr. Shimada                6.     Benefits and Program Administration Committee (Oral)
- Mr. Diehr                    7.     Health Benefits Committee (Oral)
- Mr. Carlson                8.     Finance Committee (Oral)
- Ms. Mathur                9.     Performance and Compensation Committee (Oral)
- Mr. Shimada               10.    Ad Hoc Board Elections Committee (Oral)

### General

- Mr. Buenrostro            11.    Board Meeting Calendar
- Mr. Buenrostro            12.    Chief Executive Officer's Report (Oral)

### Governmental Affairs

- Ms. Notsinneh            13.    Board's State Legislative Program/Board's Position on State Legislation
- Ms. Notsinneh            14.    Board's Federal Legislative Program/Board's Position on Federal Legislation

### Legal

- Mr. Mixon                   15.    Proposed Decisions of Administrative Law Judges
- A. Gilbert James
- B. Laurel Williams
- C. Julie Menack
- D. Issac Hollomon
- E. Timothy B. Lenhart
- F. Pieter L. Moerdyk
- G. Raymond Marchese
- H. Peggy Alston
- I. LaLonnie G. Burke
- Mr. Mixon                   16.    Petition For Reconsideration
- A. Karen T. Hjelmstrom-Haney

- |           |     |                               |
|-----------|-----|-------------------------------|
| Mr. Mixon | 17. | Full Hearing – Aimee Langlois |
| Mr. Mixon | 18. | General Counsel's Report      |
|           |     | A. Monthly New Case Report    |
|           |     | B. Assignment Matrix          |

Other

- |                |     |  |
|----------------|-----|--|
| Mr. Feckner    | 19. | Board Travel Approvals                     |
| Mr. Buenrostro | 20. | Draft Agenda for February 21, 2008 Meeting |
|                | 21. | New Business Agenda Setting                |
|                | 22. | Public Comment                             |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.



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Date: December 4, 2007  
Reference No.:  
Circular Letter No.: 310-060-07  
Distribution: I, IIA, IV, V, VI, X, XII

Special:

# **Circular Letter**

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND  
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION'S  
COMMITTEES

The CalPERS Board of Administration, its Committees and Advisory Panels are scheduled to meet on the following days in December. All meetings will be held in public session unless otherwise noted.

## Finance Committee

Date and Time: Friday, December 14, 2007, 9:30 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## Performance and Compensation Committee

Date and Time: Friday, December 14, 2007, 10:00 a.m. or upon adjournment or recessing of the Finance Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## Policy Subcommittee of the Investment Committee

Date and Time: Friday, December 14, 2007, 10:30 a.m. or upon adjournment or recessing of the Performance and Compensation Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Items scheduled for the public session of the meeting are listed on the attached agenda. This information is also available on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Please contact Cheree Swedensky, at (916) 795-3128, with any questions regarding the meeting. Thank you.

FRED BUENROSTRO  
Chief Executive Officer

Attachment



**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**FINANCE COMMITTEE**

**December 14, 2007**

**9:30 a.m.**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**COMMITTEE MEMBERS**

Robert F. Carlson, Chair  
John Chiang, Vice Chair  
Marjorie Berte  
Bill Lockyer  
Tony Oliveira  
Kurato Shimada  
Charles Valdes

**AGENDA**

1. Call to Order and Roll Call
2. Approval of November 13, 2007, Meeting Minutes

**AUDITS**

- |                                |   |
|--------------------------------|---|
| Information<br>Larry Jensen    | 3. Chief Auditor's Report                           |
| Information<br>Margaret Junker | 4. Office of Audit Services Quarterly Status Report |
| Action<br>Larry Jensen         | 5. Management Letter – Year Ending June 30, 2007    |

**COMPLIANCE**

- |                                 |                             |
|---------------------------------|-----------------------------|
| Information<br>Sherry Johnstone | 6. Compliance Office Report |
|---------------------------------|-----------------------------|

### **PLANNING**

Action  
Kami Niebank

7. CalPERS 2006-09 Three-Year Business Plan (Semi-Annual Update)

### **INFORMATION TECHNOLOGY SERVICES**

Information  
Teri Bennett  
Terry Bridges

8. Information Technology Services Status Report

### **BUDGETS**

Action  
Russell Fong

9. Fiscal Year 2007-08 Mid-Year Budget Revisions (Second Reading)

Information  
Steve Pietrowski

10. Current Budget Issues

### **ADMINISTRATIVE SERVICES**

Information  
John Hiber

11. Assistant Executive Officer Report

Information  
John Hiber

12. Proposed February 2008 Agenda

13. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**PERFORMANCE AND COMPENSATION COMMITTEE**

**December 14, 2007**

**10:00 a.m.**

**or Upon Adjournment or Recess of the Finance Committee,  
Whichever is Later**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, CA

**COMMITTEE MEMBERS**

Priya Mathur, Chair  
Tony Oliveira, Vice Chair  
Robert F. Carlson  
David Gilb  
Bill Lockyer  
Kurato Shimada  
Charles Valdes

**AGENDA**

**OPEN SESSION**

- |                           |   |
|---------------------------|---|
|                           | 1. Call to Order and Roll Call  |
|                           | 2. Approval of the September 7, 2007 Performance and Compensation Committee Meeting Minutes   |
| Action/Chris O'Brien      | 3. First Quarter Status Reports on Performance Plans of the Chief Executive Officer, Chief Actuary, Chief Investment Officer and his Direct Reporting Staff |
| Information/Chris O'Brien | 4. Changes in Senior Portfolio Manager and Portfolio Manager Performance Plans  |
| Action/Chris O'Brien      | 5. 2007-2008 Performance Plans for Recently Appointed Investment Managers (First Reading)   |
| Action/Chris O'Brien      | 6. Implementation of AB 1317  |

- |                            |     |   |
|----------------------------|-----|---|
| Action/Chris O'Brien       | 7.  | Amended 2008 Committee Meeting Calendar |
| Information/Chris O'Brien  | 8.  | Human Resources Division Report         |
| Information/ Chris O'Brien | 9.  | Proposed February 2008 Agenda           |
|                            | 10. | Public Comment                          |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**POLICY SUBCOMMITTEE  
OF THE INVESTMENT COMMITTEE**

**December 14, 2007**

**10:30 a.m.**

**or Upon Adjournment or Recess of the  
Performance and Compensation Committee Meeting, Whichever is Later**

Robert F. Carlson Auditorium  
Lincoln Plaza North  
400 Q Street  
Sacramento, CA

**COMMITTEE MEMBERS**

Priya Mathur, Chair  
Marjorie Berte, Vice Chair  
Robert F. Carlson  
Tony Oliveira  
Charles Valdes

**AGENDA**

- |                    |   |
|--------------------|---|
|                    | 1. Call to Order and Roll Call  |
| Action             | 2. Approval of the October 12, 2007 Meeting Minutes   |
| Action / F. Majeed | 3. Adoption of Policy on Inflation-Linked Asset Class and Three of its Components: Commodities, Inflation-Linked Bonds, and Forestland* |
| Action / C. Ishii  | 4. Global Fixed Income<br>a. Revision of Policy on Dollar-Denominated Fixed Income Program  |
| Action / C. Wood   | 5. Global Equity<br>a. Revision of Policy on Global Proxy Voting and Principles of Accountable Corporate Governance                     |

\*The Infrastructure Component will be at a future Policy Subcommittee meeting.

Action / C. Wood

6. Policy Review and Consolidation Project –  
Revision of Global Equity Policies  
Corporate Governance Investments
  - a. Revision of Policy on Corporate Governance Investments  
External Equity
  - b. Adoption of Policy on Externally Managed Strategies (consolidation of policies for Global Equity externally managed programs) and Related Repeals
  - c. Revision of Policy on Manager Monitoring – Externally Managed
  - d. Repeal of Policy on Passive International Equities – Externally Managed  
Internal Equity
  - e. Adoption of Policy on Internally Managed Affiliate Equity Index Funds (consolidation of policies for Standard & Poor's 500 equity index fund internally managed programs) and Related Repeals
  - f. Revision of Policy on Equity Index Funds and Repeal of Policy on Dynamic Completion Fund
  - g. Revision of Policy on Global Enhanced Equity Strategies – Internally Managed  
RMARS
  - h. Revision of Policy on Risk Managed Absolute Return Strategies Program

Action / A. Stausboll

7. Proposed Revision of 2008 Meeting Dates

Information

8. Draft Agenda for February 2008
9. Public Comment

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.